

## Message Text

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ACTION EUR-12

INFO OCT-01 AID-05 CEA-01 CIAE-00 COME-00 EB-07 EA-06

FRB-03 INR-07 IO-10 NEA-09 NSAE-00 OPIC-03 SP-02

TRSE-00 CIEP-01 LAB-04 SIL-01 OMB-01 ERDA-05 DODE-00

FEAE-00 FPC-01 H-02 INT-05 L-02 NSC-05 PM-03 SAM-01

OES-03 SS-15 STR-04 OIC-02 AF-06 ARA-06 ISO-00 XMB-02

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R 151657Z APR 75

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 6538

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

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PASS TREASURY FOR ASSISTANT SECRETARY COOPER; NEW DELHI  
FOR UNDER SECRETARY BENNETT

E.O. 11652: N/A

TAGS: EFIN, ECON, OECD

SUBJECT: FIRST MEETING OF TEMPORARY WORKING PARTY ON  
ECONOMIC AND FINANCIAL PROBLEMS WITH OIL PRODUCING  
COUNTRIES

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REF: (A) OECD PARIS 7852; (B) STATE 72477;

(C) OECD PARIS 7598; (D) OECD DOCUMENT CPE/TWP(75)1

1. SUMMARY. TEMPORARY WORKING PARTY OF EPC ON PROBLEMS THAT COULD ARISE WITH OIL PRODUCING COUNTRIES HELD FIRST MEETING ON APRIL 10. LARGELY ORGANIZATIONAL DISCUSSION RESULTED IN DECISION THAT WORKING PARTY WILL INITIALLY CONCENTRATE ON ANALYTICAL EXAMINATION OF PROBLEMS RELATED TO INVESTMENT OF FINANCIAL SURPLUSES BEING ACCUMULATED BY OIL PRODUCERS (OTHER THAN QUESTIONS OF TREATMENT OF SUCH INVESTMENT BY CONSUMING COUNTRIES BEING HANDLED IN CONTEXT OF OECD'S INVESTMENT COMMITTEE). FOLLOWING WORK SCHEDULE AGREED: PAPERS TO BE PREPARED BY VOLUNTEER COUNTRIES (U.S. AND U.K. HAVE OFFERED TO SUBMIT PAPERS) DUE END APRIL; SECRETARIAT WILL CIRCULATE PAPERS AND WILL WRITE A DISCUSSION DOCUMENT ON ISSUES RAISED BY THEM BY MAY 7; COUNTRY COMMENTS ON ANNEXES B, C, D AND E OF REF D DOCUMENT SOLICITED BY NEXT MEETING OF WORKING PARTY WHICH SCHEDULED FOR MAY 21-22. END SUMMARY.

2. FIRST MEETING OF THE TEMPORARY WORKING PARTY OF THE ECONOMIC POLICY COMMITTEE ON ECONOMIC, MONETARY, AND FINANCIAL PROBLEMS THAT COULD ARISE IN THE RELATIONS BETWEEN MEMBER COUNTRIES AND OIL PRODUCING COUNTRIES (TWP) WAS HELD ON APRIL 10. AS ANTICIPATED, JACQUES VAN YPERSELE OF BELGIUM WAS ELECTED CHAIRMAN. THE MEETING, WHICH LASTED ONLY THE MORNING, WAS LARGELY ORGANIZATIONAL AND DEVOTED TO THE DEVELOPMENT OF AN INITIAL WORK PROGRAM.

3. THE FIRST EXCHANGE OF VIEWS AMONG DELEGATES SHOWED CONSIDERABLE UNCERTAINTY ABOUT WHAT THE TWP COULD MOST USEFULLY DO. SOME SUGGESTED MORE ATTENTION TO BASIC ANALYSIS, WHILE OTHERS EMPHASIZED THE OPERATIONAL OBJECTIVE OF PREPARING FOR A DIALOGUE BETWEEN OIL PRODUCING AND CONSUMING COUNTRIES. TWP AGREED THAT ITS WORK WOULD NOT TOUCH ON QUESTIONS REGARDING INWARD FOREIGN INVESTMENT POLICIES OR REGULATIONS OF CONSUMING COUNTRIES, WHICH HAVE BEEN ASSIGNED TO THE OECD'S COMMITTEE ON INTERNATIONAL INVESTMENT (IME). THE RESULT LIMITED OFFICIAL USE

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OF THE DISCUSSION WAS THE ACCEPTANCE BY THE GROUP OF A U.S. PROPOSAL THAT THE TWP SHOULD START WITH ATTEMPTING TO ANALYZE THE NATURE OF THE REAL CONCERNS FOR THE WORLD ECONOMY AND THE CONSUMING COUNTRIES WHICH ARISE FROM THE INVESTMENT OF THE FINANCIAL SURPLUS BEING ACCUMULATED BY OIL PRODUCING COUNTRIES. U.S. REPRESENTATIVE (COOPER) SUGGESTED THAT BEFORE SEEKING TO DRAW OPERATIONAL CONCLUSIONS WHICH MAY BE OF RELEVANCE

TO AN EVENTUAL DIALOGUE WITH THE OIL PRODUCERS, WE  
SHOULD HAVE CLEARLY IN MIND WHAT PRECISELY ARE  
THE ACTUALLY OR POTENTIALLY TROUBLESOME FEATURES OF THE  
PHENOMENON. QUESTIONS TO BE LOOKED AT MIGHT INCLUDE  
E.G., THE EXTENT TO WHICH PROBLEMS CONCERN (A) THE  
MAGNITUDE OF THE ASSETS BEING ACCUMULATED AND/OR THE  
INVESTMENT POLICIES OF THE PRODUCING COUNTRIES AS  
REGARDS MATURITIES OR GEOGRAPHIC AND CURRENCY  
DISTRIBUTION; (B) MAINLY CERTAIN PRODUCING COUNTRIES  
(LOW ABSORBERS) RATHER THAN OTHERS AND OVER WHAT TIME  
SPAN, AND (C) MAY BE ASSOCIATED WITH STRUCTURAL  
DEFICIENCIES IN THE CONSUMING COUNTRIES' MARKETS.

4. THE U.S. AND U.K. OFFERED TO WRITE PAPERS ON THIS  
SUBJECT. VAN YPERSELE INDICATED THAT THESE CONTRIBU-

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TIONS (AND ANY OTHERS THAT ADDITIONAL VOLUNTEER COUNTRIES MAY WISH TO WRITE) SHOULD BE SENT TO THE SECRETARIAT BY THE END OF APRIL. THESE PAPERS WILL BE CIRCULATED TO OTHER MEMBER COUNTRIES. THE SECRETARIAT WILL, BY MAY 7, ALSO PREPARE A DISCUSSION DOCUMENT ON ISSUES RAISED BY COUNTRY PAPERS FOR DISCUSSION AT THE NEXT TWP MEETING. THE POSSIBILITY WAS LEFT OPEN  
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THAT AT THE DISCRETION OF THE CHAIRMAN A SMALL DRAFTING GROUP OF COUNTRY REPRESENTATIVES MIGHT BE CALLED TOGETHER TO DISCUSS THE COUNTRY SUBMISSIONS AND THE SECRETARIAT'S PAPER, IF IN THE CHAIRMAN'S JUDGMENT THE CONVOCAION OF SUCH A GROUP WOULD HELP ADVANCE PREPARATIONS FOR THE NEXT MEETING OF THE TWP WHICH WAS SET FOR MAY 21-22. VAN YPERSELE ALSO ASKED THAT COUNTRIES SEND THEIR COMMENTS TO ANNEXES B, C, D AND E OF DOCUMENT CPE/TWP(75)1 (REF D) TO THE SECRETARIAT BEFORE THE NEXT MEETING. IT WAS AGREED THAT TWP WOULD CONSIDER ITS FURTHER WORK SCHEDULE IN THE LIGHT OF THE RESULTS OF THE FIRST ANALYTICAL ATTEMPT DESCRIBED ABOVE AND IN RELATION TO DEVELOPMENTS (IN TERMS OF SUBJECT MATTER AND TIMING) WITH RESPECT TO THE DIALOGUE WITH OIL PRODUCING COUNTRIES AS THEY EMERGE IN THE WAKE OF THE PREPCON.

5. ACTION REQUESTED: PLEASE FORWARD PROMISED U.S. SUBMISSION BY END OF APRIL, AND COMMENTS ON ANNEXES B, C, D AND E OF REF D AS SOON AS POSSIBLE.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, COMMITTEE MEETINGS, INVESTMENTS, FINANCIAL PROGRAMS  
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**Copy:** SINGLE  
**Draft Date:** 15 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
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**TAGS:** EFIN, ECON, OECD  
**To:** STATE  
**Type:** TE  
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